



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 21, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PROPOSED AMENDMENT TO THE TAX ALLOCATION AGREEMENT
FOR THE BALDWIN PARK CENTRAL BUSINESS DISTRICT
REDEVELOPMENT PROJECT
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

The Community Development Commission of the City of Baldwin Park (the "Commission") seeks permission from the County to refinance its Central Business District 1990 Bond, and continue to receive County deferral, as necessary, based on the current debt schedule. To permit that, the October 13, 1982 Agreement for Reimbursement of Tax Allocation Funds (Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project) (the "Agreement") must be amended.

JOINT RECOMMENDATION WITH THE FIRE CHIEF THAT YOUR BOARD:

Approve and execute the Amendment No. 1 to the Agreement permitting the Commission to refinance the Central Business District 1990 Bond while continuing to receive County deferral based on the current 1990 Bond debt schedule.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 3, 1982, the City adopted the Baldwin Park Central Business District Redevelopment Project, and it issued bonds to finance the project in 1990. In order to take advantage of low interest rates, the Commission would like to refinance the 1990 bonds. The bond refinance at lower interest rates would reduce the annual debt payment. The 1982 Agreement included a provision whereby the County agreed to defer timely receipt of its tax increment reimbursement payments to the extent that the Commission needed to meet annual debt service obligation for property tax allocation bonds. The Commission would like the County to continue to make the deferral based on the 1990 debt schedule.

FISCAL IMPACT/FINANCING

Prior to the adoption of AB 1290 in 1993, counties could negotiate pass-through payment amounts with redevelopment agencies. The October 13, 1982 Agreement between the County and the Commission includes full-pass through to the County taxing entities of 49.6 percent, and the County taxing entities do not contribute to the low and moderate income housing fund. For Fiscal Year 2007-08, the County taxing entities received \$919,823 in pass-through payments from the Project, and deferred approximately \$68,000 to the Commission. This Office estimates the County deferral will no longer be needed in approximately twelve years, and the Commission will begin repayment of the deferral balance at that time. With the expiration of the 1990 debt payments in 2019, the Commission will have adequate tax increment available to fully repay the County deferral well in advance of the time limit of the project in 2035.

The Commission proposes that the County continue to defer based on the amounts of the 1990 Bond schedule. While the Commission will benefit from slightly lower bond payments, there will be no negative fiscal impact on the County, as the County's deferral commitment will not change.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Among other things, Section 2 of the Agreement states that the County agrees to defer timely receipt of its tax increment reimbursement if the agency requires the use of the tax increments to meet its annual debt service obligation for property tax allocation bonds used to finance the redevelopment project. That provision must be changed in order to allow the Commission to refinance and yet continue to defer payments to the

The Honorable Board of Supervisors
July 21, 2009
Page 3

same extent as it had under the 1990 bond issuance. Consequently, the attached amendment will add provisions to the Agreement permitting the refinancing while allowing the deferral to continue as it had under the 1990 bond issuance. County Counsel has reviewed the amendment and approved as to its form.

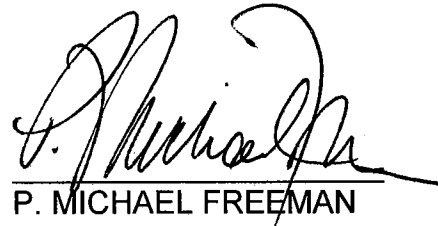
CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and amendment to the Chief Executive Office, Office of Community and Municipal Services, and one copy of the letter and amendment to the Auditor-Controller, Tax Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



P. MICHAEL FREEMAN
Fire Chief

WTF:PMF
LS:DSP:RTM:os

Attachment

c: Executive Officer, Board of Supervisors
Acting County Counsel
Auditor-Controller
Vijay Singhal, Chief Executive Officer, City of Baldwin Park

**AMENDMENT NO. 1 TO
AGREEMENT FOR REIMBURSEMENT OF
TAX INCREMENT FUNDS
(Redevelopment Plan for the Baldwin Park Central Business District
Redevelopment Project)**

This Amendment No. 1 ("Amendment") to the October 13, 1982 Agreement for Reimbursement of Tax Increment Funds (**Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project**), Los Angeles County Contract Number 42823, is entered into as of _____, 2009, by and between the City of Baldwin Park (the "City"), the Community Development Commission of the City of Baldwin Park (the "Commission"), the Consolidated Fire Protection District (the "District") and the County of Los Angeles (the "County").

RECITALS

WHEREAS, the Baldwin Park Central Business District Redevelopment Plan (the "Project") was adopted by the City Council of the City of Baldwin Park on February 3, 1982 by Ordinance No. 832;

WHEREAS, the Baldwin Park Redevelopment Agency (the "Agency"), the City, the County, and the District entered into the "Agreement For Reimbursement of Tax Increment Funds (Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project)", dated October 13, 1982, (the "Agreement") which allocated the tax increment resulting from the adoption of the Project among the parties;

WHEREAS, pursuant to California Health and Safety Code Sections 34100 et seq., City declared the need for the Commission and, pursuant to paragraph (c) of section 34130 the Commission is vested with all the powers, duties and responsibilities of the Agency and is the successor-in-interest to the rights and obligations of the Agency pursuant to the Agreement;

WHEREAS, in 1990 the Commission issued property tax allocation bonds (the "1990 Bonds") to finance the Project;

WHEREAS, the Commission, in order to take advantage of low interest rates, intends to refinance its 1990 Bonds;

WHEREAS, Section 2 of the Agreement includes a provision whereby the County agrees to defer timely receipt of tax increment reimbursement from the Agency if the Agency requires use of the tax increments to meet its annual debt service obligation for property tax allocation bonds;

WHEREAS, the Commission wishes the County deferral to continue based upon its obligations under the 1990 Bonds rather than its obligations after refinancing;

WHEREAS, the Commission will benefit from slightly lower bond payments and there will be no negative fiscal impact on the County; and

WHEREAS, the Commission and the County now desire to amend the Agreement regarding the affect refinancing of the Agency/Commission bonded indebtedness will have on the deferral and payment of tax increment revenue received by the Commission pursuant to the Agreement;

NOW, THEREFORE, the parties amend the Agreement as follows:

1. The Agreement shall be amended to add paragraph 7, which shall read, in its entirety, as follows:

7. The parties agree that, subsequent to entering into this Agreement, the City created a community development commission, pursuant to Part 1.7 of Division 24 of the California Health and Safety Code, (hereafter "Commission") and that pursuant to paragraph (c) of section 34130 of said Code, the Commission is vested with all the powers, duties and responsibilities of the Agency and is the successor-in-interest to all the rights and obligations of the Agency under the terms of this Agreement.

2. The Agreement shall be amended to add paragraph 8, which shall read, in its entirety, as follows:

8. Notwithstanding any other provisions of the Agreement:

a. the parties agree Commission (i) shall be permitted to refinance its bonded indebtedness (the "Bonded Debt") to reduce its annual bonded debt service requirement, including payments for principal and interest, on the Bonded Debt, (ii) will create an annual savings in the tax increment expenditures for that debt service ("Savings") and (iii) shall retain the Savings in the annual debt service created by the refinanced Bonded Debt.

b. the County agrees to continue, annually but only to the extent needed, to defer receipt of reimbursement of tax increment revenue in an amount equal to the Commission's annual debt service, including principal and interest, of the 1990 Bonded Debt, as set forth in the debt service schedule attached hereto as Exhibit A, after subtracting the Commission's 34.7% share of tax increment revenue the Commission would have used to pay a portion of that annual debt service.

c. Exhibit A, a true and correct copy of which is attached hereto, is incorporated by reference as a part of the Agreement.

3. Except as modified by this Amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment to the Agreement as of the date first above written.

_____, 2009

COUNTY

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors


ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: 
Deputy

_____, 2009

FIRE PROTECTION DISTRICT

CONSOLIDATED FIRE PROTECTION
DISTRICT

By: _____
Chair, Board of Supervisors

ATTEST:

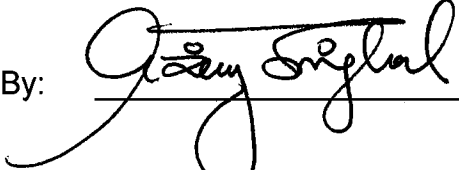
SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____

_____, 2009

COMMISSION

COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF BALDWIN PARK

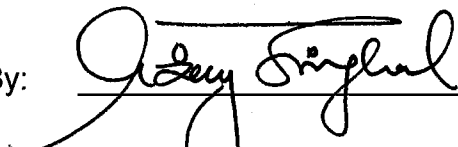
By: _____

Its: EXECUTIVE DIRECTOR

JUNE 25,, 2009

CITY

CITY OF BALDWIN PARK

By: _____

Its: CITY OF BALDWIN PARK

Actuals/Current Estimates

| A | B | C | D | E | F | G | H | I | J | K | L | M | N |
|-------------|-----------------|--------------|------------|--------------|--------------|-----------|------------|------------|--------------|--------------|------------------|--------------|-------------------|
| Fiscal Year | Total Increment | County Share | Fire Share | Agency Share | County Share | Deferrals | County | Deferrals | Agency Share | County Share | Net Agency Share | County Share | Actual Fire Share |
| | | 49.6% | 15.7% | 34.7% | | | | | | | 20.0% | | |
| 1983-84 | 117,279 | 0 | 0 | 117,279 | 0 | 0 | 0 | 117,279 | 117,279 | 23,456 | 93,823 | 0 | 0 |
| 1984-85 | 114,415 | 0 | 14,725 | 99,690 | 0 | 0 | 0 | 99,690 | 216,969 | 22,863 | 76,807 | 0 | 14,725 |
| 1985-86 | 173,144 | 0 | 22,628 | 150,517 | 0 | 0 | 0 | 150,517 | 367,486 | 34,629 | 115,858 | 0 | 22,628 |
| 1986-87 | 286,408 | 0 | 39,884 | 246,524 | 0 | 0 | 0 | 246,524 | 624,010 | 59,282 | 197,242 | 0 | 39,884 |
| 1987-88 | 465,530 | 0 | 63,055 | 402,475 | 0 | 0 | 0 | 402,475 | 1,026,485 | 93,106 | 309,369 | 0 | 63,055 |
| 1988-89 | 490,767 | 225,323 | 71,322 | 194,122 | 0 | 0 | 0 | 194,122 | 1,220,607 | 98,153 | 95,969 | 225,323 | 71,322 |
| 1989-90 | 524,900 | 238,175 | 75,390 | 211,335 | 0 | 0 | 0 | 211,335 | 1,431,942 | 104,990 | 106,355 | 238,175 | 75,390 |
| 1990-91 | 337,267 | 106,762 | 315,074 | 232,158 | 0 | 232,158 | 0 | 232,158 | 1,973,173 | 151,825 | 96,432 | 105,129 | 106,762 |
| 1991-92 | 919,121 | 415,219 | 131,430 | 372,471 | 185,524 | 0 | 415,682 | 557,595 | 2,537,168 | 183,824 | 79,834 | 229,686 | 131,430 |
| 1992-93 | 1,016,815 | 466,336 | 144,445 | 416,034 | 37,971 | 0 | 455,652 | 454,005 | 2,991,173 | 454,005 | 203,363 | 418,365 | 144,445 |
| 1993-94 | 803,204 | 400,276 | 126,700 | 376,228 | 0 | 0 | 455,652 | 376,228 | 3,967,401 | 454,005 | 180,641 | 400,276 | 126,700 |
| 1994-95 | 906,565 | 415,878 | 131,639 | 369,049 | 94,956 | 0 | 550,609 | 454,005 | 3,821,406 | 454,005 | 181,313 | 320,921 | 131,639 |
| 1995-96 | 776,155 | 377,409 | 119,462 | 114,190 | 174,722 | 0 | 725,331 | 298,912 | 4,110,318 | 454,005 | 155,321 | 202,687 | 119,462 |
| 1996-97 | 820,621 | 400,868 | 126,888 | 292,966 | 165,965 | 0 | 891,296 | 458,931 | 4,569,149 | 458,931 | 164,124 | 234,903 | 126,888 |
| 1997-98 | 927,147 | 452,335 | 143,178 | 331,634 | 155,750 | 0 | 1,047,086 | 487,424 | 5,056,573 | 487,424 | 185,429 | 286,544 | 143,178 |
| 1998-99 | 788,432 | 387,153 | 122,546 | 278,733 | 215,848 | 0 | 1,262,934 | 494,581 | 5,551,154 | 494,581 | 157,686 | 171,305 | 122,546 |
| 1999-00 | 815,688 | 400,808 | 126,869 | 288,012 | 206,569 | 0 | 1,468,503 | 494,581 | 6,045,735 | 500,979 | 163,138 | 194,238 | 126,869 |
| 2000-01 | 800,374 | 383,359 | 124,511 | 282,504 | 228,910 | 0 | 1,699,413 | 511,413 | 6,557,108 | 511,413 | 160,075 | 164,450 | 124,511 |
| 2001-02 | 854,721 | 420,876 | 133,221 | 300,624 | 215,256 | 0 | 1,913,688 | 515,880 | 7,073,028 | 515,880 | 170,944 | 205,620 | 133,221 |
| 2002-03 | 959,052 | 472,368 | 149,520 | 337,165 | 187,217 | 0 | 2,100,886 | 524,382 | 7,597,410 | 524,382 | 191,811 | 285,151 | 149,520 |
| 2003-04 | 1,115,314 | 549,755 | 174,015 | 375,437 | 140,147 | 0 | 2,241,082 | 518,584 | 8,115,894 | 531,680 | 223,063 | 409,609 | 174,015 |
| 2004-05 | 1,126,875 | 555,749 | 175,912 | 380,360 | 125,033 | 0 | 2,383,606 | 519,178 | 8,636,172 | 537,788 | 225,375 | 413,175 | 175,912 |
| 2005-06 | 1,205,546 | 594,866 | 188,294 | 382,360 | 125,033 | 0 | 2,500,469 | 507,638 | 9,142,565 | 547,419 | 281,135 | 469,833 | 188,294 |
| 2006-07 | 1,324,455 | 653,899 | 206,980 | 384,768 | 91,830 | 0 | 2,616,469 | 476,618 | 9,619,183 | 555,406 | 264,891 | 562,069 | 206,980 |
| 2007-08 | 1,414,102 | 698,671 | 221,152 | 494,280 | 67,564 | 0 | 2,666,033 | 561,844 | 10,180,964 | 561,844 | 282,820 | 631,107 | 221,152 |
| subtotal | 19,615,755 | 8,846,610 | 2,940,529 | 7,512,994 | 2,668,033 | 0 | 2,666,033 | 10,180,964 | 10,180,964 | 3,923,151 | (2,731,625) | 6,178,577 | 2,940,529 |
| | | | | | | | | | | | | | 31.5% |
| 2008-09 | 1,449,455 | 718,929 | 227,564 | 502,961 | 68,577 | 0 | 2,736,611 | 571,538 | 10,752,502 | 571,538 | 289,891 | 650,352 | 227,564 |
| 2009-10 | 1,465,891 | 736,903 | 233,253 | 515,535 | 63,759 | 0 | 2,800,370 | 579,294 | 11,331,796 | 579,294 | 297,138 | 673,143 | 233,253 |
| 2010-11 | 1,522,833 | 755,325 | 239,065 | 526,423 | 56,880 | 0 | 2,857,080 | 585,113 | 11,918,909 | 585,113 | 304,567 | 698,635 | 239,065 |
| 2011-12 | 1,560,904 | 774,208 | 245,062 | 529,614 | 52,166 | 0 | 2,909,226 | 593,000 | 12,510,709 | 593,000 | 312,181 | 722,042 | 245,062 |
| 2012-13 | 1,599,927 | 793,564 | 251,188 | 555,175 | 49,794 | 0 | 2,959,020 | 604,969 | 13,110,678 | 604,969 | 319,985 | 743,769 | 251,188 |
| 2013-14 | 1,639,925 | 813,403 | 257,468 | 569,054 | 44,371 | 0 | 3,003,392 | 613,425 | 13,729,103 | 613,425 | 327,985 | 769,032 | 257,468 |
| 2014-15 | 1,680,923 | 833,738 | 263,905 | 583,280 | 40,895 | 0 | 3,044,086 | 623,975 | 14,353,078 | 623,975 | 336,185 | 793,043 | 263,905 |
| 2015-16 | 1,722,946 | 854,591 | 270,503 | 597,862 | 33,563 | 0 | 3,077,649 | 631,425 | 14,984,503 | 631,425 | 344,589 | 821,018 | 270,503 |
| 2016-17 | 1,766,020 | 875,946 | 277,265 | 612,809 | 27,772 | 0 | 3,105,421 | 640,391 | 15,625,084 | 640,391 | 353,204 | 848,174 | 277,265 |
| 2017-18 | 1,810,170 | 897,844 | 284,197 | 628,129 | 22,927 | 0 | 3,128,348 | 651,056 | 16,276,140 | 651,056 | 362,034 | 874,917 | 284,197 |
| 2018-19 | 1,855,424 | 920,290 | 291,032 | 643,832 | 13,824 | 0 | 3,142,172 | 657,656 | 16,933,796 | 657,656 | 371,065 | 906,467 | 291,032 |
| 2019-20 | 1,901,810 | 943,298 | 298,594 | 659,928 | 10,066 | 0 | 3,152,238 | 669,994 | 17,603,790 | 669,994 | 380,362 | 933,232 | 298,594 |
| 2020-21 | 1,949,355 | 966,880 | 306,049 | 676,426 | 0 | 286,555 | 2,865,683 | 389,871 | 17,993,661 | 389,871 | 0 | 1,253,435 | 306,049 |
| 2021-22 | 1,998,089 | 991,052 | 313,700 | 683,337 | 0 | 283,719 | 2,871,964 | 389,871 | 18,383,279 | 389,871 | 0 | 1,284,771 | 313,700 |
| 2022-23 | 2,048,041 | 1,015,829 | 321,542 | 710,670 | 0 | 301,062 | 2,871,964 | 409,608 | 18,802,887 | 409,608 | 0 | 1,316,891 | 321,542 |
| 2023-24 | 2,099,242 | 1,041,224 | 329,581 | 728,437 | 0 | 308,589 | 2,871,964 | 419,848 | 19,222,736 | 419,848 | 0 | 1,349,813 | 329,581 |
| 2024-25 | 2,151,723 | 1,067,255 | 337,821 | 748,648 | 0 | 316,303 | 2,871,964 | 430,345 | 19,653,080 | 430,345 | 0 | 1,383,558 | 337,821 |
| 2025-26 | 2,205,517 | 1,093,936 | 346,288 | 765,314 | 0 | 324,211 | 2,871,964 | 441,103 | 20,084,184 | 441,103 | 0 | 1,418,147 | 346,288 |
| 2026-27 | 2,260,654 | 1,121,285 | 354,923 | 784,447 | 0 | 332,316 | 2,871,964 | 452,131 | 20,516,314 | 452,131 | 0 | 1,453,601 | 354,923 |
| 2027-28 | 2,317,171 | 1,149,317 | 363,796 | 804,058 | 0 | 340,624 | 2,871,964 | 463,434 | 21,009,749 | 463,434 | 0 | 1,489,941 | 363,796 |
| 2028-29 | 2,375,100 | 1,178,050 | 372,891 | 824,160 | 0 | 348,140 | 2,871,964 | 475,020 | 21,484,769 | 475,020 | 0 | 1,527,189 | 372,891 |
| 2029-30 | 2,434,478 | 1,207,501 | 382,213 | 844,784 | 0 | 355,719 | 2,871,964 | 486,886 | 22,029,814 | 486,886 | 58,150 | 1,507,219 | 382,213 |
| 2030-31 | 2,495,339 | 1,237,688 | 391,768 | 865,893 | 0 | 0 | 2,871,964 | 499,068 | 22,595,697 | 499,068 | 366,815 | 1,237,688 | 391,768 |
| 2031-32 | 2,557,723 | 1,268,631 | 401,563 | 887,530 | 0 | 0 | 2,871,964 | 511,545 | 23,183,226 | 511,545 | 375,985 | 1,268,631 | 401,563 |
| 2032-33 | 2,621,666 | 1,300,346 | 411,602 | 908,718 | 0 | 0 | 2,871,964 | 524,333 | 23,792,945 | 524,333 | 385,365 | 1,300,346 | 411,602 |
| 2033-34 | 2,687,208 | 1,332,855 | 421,892 | 932,461 | 0 | 0 | 2,871,964 | 537,442 | 24,425,406 | 537,442 | 395,020 | 1,332,855 | 421,892 |
| 2034-35 | 2,754,388 | 1,366,178 | 432,439 | 955,773 | 0 | 0 | 2,871,964 | 550,178 | 25,085,584 | 550,178 | 404,895 | 1,366,178 | 432,439 |
| 2035-36 | 2,823,248 | 1,400,331 | 443,250 | 979,667 | 0 | 0 | 2,871,964 | 564,650 | 25,780,245 | 564,650 | 415,017 | 1,400,331 | 443,250 |
| TOTAL | 77,390,724 | 37,502,995 | 12,011,200 | 27,560,908 | 3,152,238 | 3,152,238 | 27,560,908 | 16,412,327 | 15,478,145 | (4,329,563) | 37,502,995 | 12,011,200 | 15.5% |
| | | | | | | | | | | | | | 48.5% |

Notes:

* SB2557 Co. admin. and SB 211 pass through payments not included.

* Agency share net of ERFAP payments

* Project cap = \$25 million Agency share

* Existing debt schedule will be used to calculate future deferrals.